

VERBUND Renewable Power Important success factors for investing in Renewable Energy



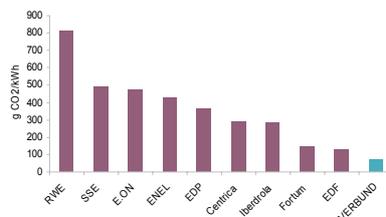
Dieter Meyer, Wien 29.04.2011

VERBUND facts

- Austria's leading electricity company, counting as well among the industry's TOP companies in Europe.
- covering some 40 % of Austria's electricity requirement – 90 % of which is derived from renewable hydro power.
- the fourth largest hydro power company in Europe
- listed on the stock exchange since 1988 (Vienna, Frankfurt, London); 51 % of the share capital is owned by the Republic of Austria.



		2010
Sales revenue	Mio. €	3,308
EBIT	Mio. €	828
Group results	Mio. €	400
Operative cash flow	Mio. €	778
Employees		> 3.000



Wind farms

VERBUND operates three wind farms in *Austria*, with a total capacity of 49 MW (extension in near future to double the capacity).

In *Italy, France and Turkey*, the joint ventures operate wind farms with a total capacity of over 300 MW.

In *Bulgaria*, VERBUND operates a wind farm with a capacity of 16 MW.

A large wind farm in *Romania* with a total capacity of 200 MW is currently under construction.



VERBUND Wind farms

■ Participating interests of VERBUND Renewable Power GmbH
■ Participating interests of VERBUND (via Joint Ventures)

Poweo (46 %)	
Countries	F
In operation	105 MW
Under construction	0 MW
In development	> 250 MW
Development target	> 200 MW

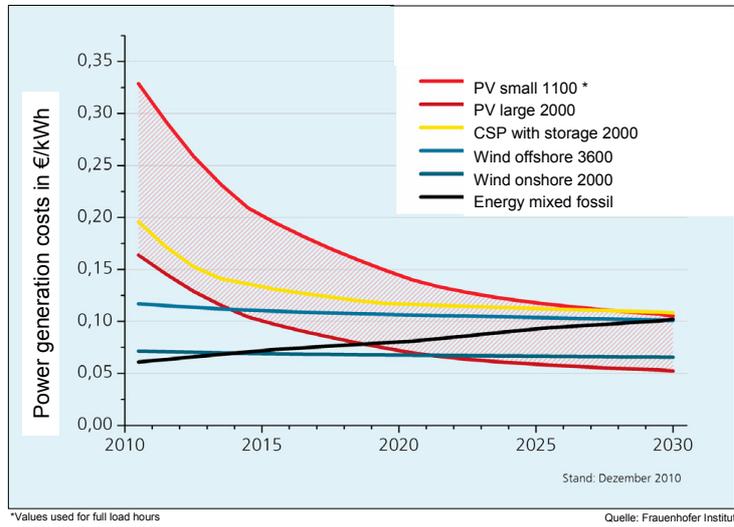
VERBUND Renewable Power GmbH (100 %)	
Countries	A, RO, BG, (HR)
In operation	65 MW
Under construction	100 MW
In development	> 200 MW
Development target 2020 (REN in total)	≥ 500 MW

EnerjISA (50 %)	
Countries	TR
In operation	30 MW
Under construction	39 MW
In development	150 MW
Development target	~ 300 MW

Sorgenia (45 %)	
Countries	I, F, RO
In operation	192 MW
Under construction	8 MW
Development target	> 1000 MW

* Percentages of participating interests have not been taken under consideration

Power generation



Developing renewable energy projects in the Black Sea region

Success factors

- Support mechanism
- Non-financial aspects
- Grid access and power dispatching



Success factor 1: Support mechanism

Feed-in-Tariff

- Is usually the most attractive support mechanism
- Countable returns (if strict rules are implemented!)
- Good for getting projects financed
- Straight forward to handle
- Over-supporting must be prevented
- *Bulgaria, Ukraine, Turkey (!); [France; Austria]*
- Higher risks lead to higher financial costs
- Higher risks leads to higher chances for good returns
- More difficult for market players (→ utilities) and for implementation
- *Romania, [Italy]*

Certificate System

Tender System

- Discontinuous market development
- Transparency is key
- Very limited interest for market entry

Success factor 2: Non-financial aspects

- Legal security
- Transparency
- Low risk of unforeseen changes
- Known duration of the approval process

e.g.:
Tariff changes (before and after start of operation); landowner issues
Clear process of approvals (development takes 2 to 5 years) also for local authorities
Example with environmental permit; but also tariff changes
Important for realistic planning



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Success factor 3: Grid access and power dispatching

- Grid access
- Power dispatching / balancing energy

e.g.:
Guaranteed grid access is essential
(reservation fee; temporary; rules for
ownership and payments)

Curtailments of power production (grid
planning); major future topic: balancing
energy and energy forecasting (not
adequately considered yet)



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Thank you for your attention